

**SABINE RIVER AUTHORITY**  
**State of Louisiana**

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**Financial Statements**  
**June 30, 2011 and 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **SEP 28 2011**

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 7
Financial Statements:	
Statement of Financial Position	8 - 9
Statement of Revenues and Expenses	10
Statements of Cash Flows	11-12
Notes to Financial Statements	13-24
Supplementary Information	25
Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	26-27
Schedule of Findings and Questioned Cost	28
Summary Schedule of Prior Year Findings	29
Annual Fiscal Report	30-98

# STEVEN M. DEROUEN, CPA

P.O. BOX 4265  
LAKE CHARLES, LA 70606  
(337) 513-4915 OFFICE | (337) 513-4737 FAX  
steve@sderouencpa.com

Member American Institute of  
Certified Public Accountants

Member Louisiana Society of  
Certified Public Accountants

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*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Sabine River Authority  
State of Louisiana

I have audited the accompanying financial statements of Sabine River Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Sabine River Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Sabine River Authority as of June 30, 2010, were audited by other auditors whose report dated August 26, 2010, expressed a qualified opinion on those statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Prior to July 1, 1994, the fixed assets of Sabine River Authority, State of Louisiana, were not reported in an enterprise fund. All opening balances of fixed assets could not be verified. See Note 3 for additional information.

In my opinion, except for any errors which might have been disclosed had fixed assets been established and maintained prior to July 1, 1994, the financial statements referred to above present fairly, in all material respects, the financial position of Sabine River Authority, State of Louisiana, as of June 30, 2011, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule and annual fiscal report listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Board of Commissioners  
Sabine River Authority,  
State of Louisiana

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued a report dated August 29, 2011, on my consideration of Sabine River Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit

*Steven M. DeFourn, CPA*

Lake Charles, Louisiana  
August 29, 2011

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2011**

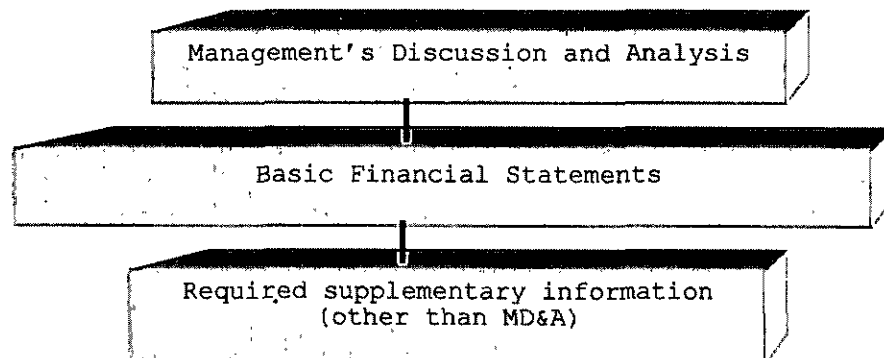
The Management's Discussion and Analysis of the Sabine River Authority's (BTA) financial performance presents a narrative overview and analysis of Sabine River Authority's (BTA) financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Sabine River Authority's (BTA) financial statements.

**FINANCIAL HIGHLIGHTS**

- ★ The Sabine River Authority's (BTA) assets exceeded its liabilities at the close of fiscal year 2011 by \$62,717,894 which represents a 0.6% increase from last fiscal year. The net assets increased by \$379,432 (or 0.6%).
- ★ The Sabine River Authority's (BTA) revenue decreased \$4,292,331 (or 34%) and the net results from activities decreased by \$4,149,729. The increase in revenues was a result of decreased power sales.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2011**

**Basic Financial Statements**

The basic financial statements present information for the Sabine River Authority (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (pages 8 - 9) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Sabine River Authority (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 10) presents information showing how Sabine River Authority's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 11- 12) presents information showing how Sabine River Authority's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	Statement of Net Assets	
	As of June 30,	
	(in thousands)	
	2011	2010
Current and other assets	\$ 12,334	\$ 14,538
Capital assets	55,450	53,567
Total assets	67,784	68,105
Other liabilities	2,231	2,067
Long-term debt outstanding	2,835	3,700
Total liabilities	5,066	5,767
Net assets:		
Invested in capital assets, net of debt	52,575	49,815
Restricted	1,625	1,459
Unrestricted	8,518	11,064
Total net assets	\$ 62,718	\$ 62,338

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2011**

Statement of Revenues, Expenses, and Changes in Fund Net Assets for the years ended June 30, (in thousands)		
	Total	
	2011	2010
Operating revenues	\$ 7,941	\$ 12,624
Operating expenses	7,811	7,911
Operating income(loss)	130	4,713
Non-operating revenues	395	4
Non-operating expenses *	(146)	(188)
Income(loss) before transfers	379	4,529
Transfers in	-	-
Transfers out	-	-
Net increase(decrease) in net assets	\$ 379	\$ 4,529
* Enter expenses as a negative amount		

The Sabine River Authority's (BTA) total revenues decreased by \$4,149,729 or (34%). The total cost of all programs and services decreased by \$142,602 or (0.2%).

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2011**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year end June 30, 2011, the Sabine River Authority (BTA) had \$55,450,050 invested in a broad range of capital assets, including land, reservoirs and waterways, dams and electric plant, water and pumping plant, recreation site improvements, and equipment. (See Table below). This amount represents a net decrease (including additions and deductions) of \$1,882,838 or 3.5%, over last year.

Capital Assets at Year-end (Net of Depreciation, in thousands)		
	2011	2010
Land	\$ 1,430	\$ 1,430
Reservoirs and Waterways	8,003	8,280
Dams and Electric Plant	11,180	11,520
Water and Pumping Plant	13,377	12,148
Recreation Site Improvements	2,060	1,734
Equipment	2,698	1,011
All Others	16,703	17,444
Totals \$	\$ 55,451	\$ 53,567

This year's major additions included (in thousands):

- Siphon Project \$1,525
- Northern Trailhead Project \$ 276



**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2011**

**Debt**

The Sabine River Authority (BTA) had \$ 2,835 thousand in bonds and notes outstanding at year-end, compared to \$3,700 thousand last year, and a decrease of 23% as shown in the table below.

The Sabine River Authority Bonds are unrated.

**Outstanding Debt at Year-end  
(in thousands)**

	<u>2011</u>	<u>2010</u>
Revenue Bonds and Notes	\$ <u>2,835</u>	\$ <u>3,700</u>
Totals \$	\$ <u><u>2,835</u></u>	\$ <u><u>3,700</u></u>

**CONTACTING THE SABINE RIVER AUTHORITY'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sabine River Authority's (BTA) finances and to show the Sabine River Authority's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jim Pratt, Executive Director at (318) 256-4112.

**SABINE RIVER AUTHORITY,  
STATE OF LOUISIANA  
Balance Sheets  
As of June 30,**

	2011	2010
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 8,801,206	\$ 10,694,530
Accounts receivable	910,498	1,395,673
Total Current Assets	9,711,704	12,090,203
<b>Noncurrent Assets:</b>		
Restricted Assets:		
Cash and cash equivalents	2,565,080	2,376,329
Total Restricted Assets	2,565,080	2,376,329
Property and Equipment:		
Land	1,430,434	1,430,434
Reservoirs and waterways	18,000,579	18,000,579
Dams and electric plant	22,094,463	22,094,463
Water and pumping plant	24,326,029	22,743,568
Recreation and conference center	12,984,269	12,986,089
Recreational site improvements	5,976,904	5,510,594
Buildings	3,055,616	2,958,965
Roads and parking lots	2,915,084	2,877,068
Fish pavillions	840,742	840,742
Golf course	5,190,815	5,190,815
Equipment	4,351,960	4,252,847
Construction in progress	420,488	351,236
Less accumulated depreciation	(49,107,761)	(47,084,104)
Total Property, Plant and Equipment	52,479,622	52,153,296
Other Assets		
Bond issue costs, net of amortization	6,904	22,094
FERC License	2,970,428	1,413,916
Deposits	50,000	50,000
Total Other Assets	3,027,332	1,486,010
Total Noncurrent Assets	58,072,034	56,015,635
Total Assets	\$ 67,783,738	\$ 68,105,838

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,  
STATE OF LOUISIANA  
Balance Sheets (Continued)  
As of June 30,**

	<b>2011</b>	<b>2010</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts and retainage payable	\$ 143,417	\$ 79,903
Deferred revenue	14,102	28,522
Accrued expenses	220,338	327,235
<b>Total Current Liabilities</b>	<b>377,857</b>	<b>435,660</b>
<b>Current Liabilities Payable from Restricted Assets</b>		
Current maturities of long-term debt	900,000	865,000
Interest payable	39,944	52,143
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>939,944</b>	<b>917,143</b>
<b>Long-term Liabilities</b>		
OPEB payable	1,813,043	1,579,573
Bonds payable	1,935,000	2,835,000
<b>Total Long-term Liabilities</b>	<b>3,748,043</b>	<b>4,414,573</b>
<b>Total Liabilities</b>	<b>5,065,844</b>	<b>5,767,376</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	52,575,106	49,815,071
Restricted for debt service	1,625,136	1,459,186
Unrestricted	8,517,652	11,064,205
<b>Total Net Assets</b>	<b>62,717,894</b>	<b>62,338,462</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 67,783,738</b>	<b>\$ 68,105,838</b>

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,  
STATE OF LOUISIANA**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**For The Years Ended June 30,**

	2011	2010
<b>Operating Revenues (substantially all pledged as security for revenue bonds):</b>		
Power sales	\$ 898,835	\$ 6,278,699
Water sales	5,542,597	5,190,428
Park site rentals	696,885	709,867
Miscellaneous	802,398	445,599
<b>Total Operating Revenues</b>	<b>7,940,715</b>	<b>12,624,593</b>
<b>Operating Expenses:</b>		
Operating and maintenance	5,747,658	5,828,530
Depreciation and amortization	2,063,387	2,127,759
<b>Total Operating Expenses</b>	<b>7,811,045</b>	<b>7,956,289</b>
<b>Operating Income (Loss)</b>	<b>129,670</b>	<b>4,668,304</b>
<b>Nonoperating Revenues (Expenses):</b>		
Investment income	4,202	3,866
Interest expense	(144,231)	(140,792)
Other	391,211	-
Gain (loss) on disposal of assets	(1,420)	(2,217)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>249,762</b>	<b>(139,143)</b>
<b>Change in Net Assets</b>	<b>379,432</b>	<b>4,529,161</b>
<b>Net Assets - Beginning of Year</b>	<b>62,338,462</b>	<b>57,809,301</b>
<b>Net Assets - End of Year</b>	<b>\$ 62,717,894</b>	<b>\$ 62,338,462</b>

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,  
STATE OF LOUISIANA  
Statements of Cash Flows  
For The Years Ended June 30,**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 7,616,881	\$ 14,488,976
Payments to suppliers	(1,916,992)	(2,528,113)
Payments to employees and benefits	(3,131,096)	(2,867,228)
Other	51,636	443,704
Net Cash Provided (Used) by Operating Activities	2,620,429	9,537,339
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(3,932,389)	(1,651,995)
Principal paid on capital debt	(865,000)	(820,000)
Interest paid on capital debt	(156,430)	(191,128)
Other	624,615	-
Net Cash Provided (Used) by Capital And Related Financing Activities	(4,329,204)	(2,663,123)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	4,202	3,866
Net Cash Provided (Used) by Investing Activities	4,202	3,866
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1,704,573)	6,878,082
<b>Cash and Cash Equivalents - Beginning of Year</b>	13,070,859	6,192,777
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 11,366,286</u>	<u>\$ 13,070,859</u>
<b>Cash and cash equivalents shown on balance sheet as:</b>		
Current assets: Cash and cash equivalents	\$ 8,801,206	\$ 10,694,530
Restricted assets: Cash and cash equivalents	2,565,080	2,376,329
	<u>\$ 11,366,286</u>	<u>\$ 13,070,859</u>

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,  
STATE OF LOUISIANA  
Statements of Cash Flows (Continued)  
For The Years Ended June 30,**

	<u>2010</u>	<u>2009</u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 129,670	\$ 4,668,304
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	2,063,387	2,127,759
(Increase) decrease in receivables	485,175	2,308,087
Increase (decrease) in accounts payable	63,514	(9,865)
Increase (decrease) in other accrued expenses	(121,317)	440,837
Other	-	2,217
<b>Total Adjustments</b>	<u>2,490,759</u>	<u>4,869,035</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 2,620,429</u>	<u>\$ 9,537,339</u>

The notes to the financial statements are an integral part of this statement.

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Sabine River Authority, State of Louisiana, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

The Office of Statewide Reporting and Accounting Policy is requiring all component units of the state to implement GASB Statement No. 34, "Basis Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

**Reporting Entity**

Sabine River Authority, a component unit of the State of Louisiana, was created under Title 38, Chapter 2, of the Louisiana Revised Statutes of 1950, comprised of R. S. 38:2321 through 38:2337. The Authority is charged with the development of the Sabine River Basin within the State of Louisiana. The Authority derives its revenue from the sale of hydroelectric power from the Toledo Bend Dam, water sales from the Toledo Bend Reservoir and Sabine River Diversion Canal, permit and recreation area fees and other miscellaneous revenue. At the 1991 Session of the Louisiana Legislature, Act 272 transferred the Authority to the Louisiana Department of Transportation and Development.

The Authority is an autonomous self-supporting governmental unit with no taxing powers covering all or a portion of six parishes in the Sabine Basin and is administered by a thirteen-member Board of Directors appointed by the Governor to four-year terms which are concurrent with the Governor.

**Fund Accounting**

In prior years, the Authority, for financial reporting purposes, consisted of a general fund, debt service fund and account groups. These funds and groups were designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

For the 1994-95 fiscal year, the Legislative Auditor determined the Authority's accounting system should consist of an enterprise fund (proprietary fund type). This enterprise fund accounts for the acquisition, operation, and maintenance of Authority facilities and services. All enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

(APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Authority will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**Compensated Absences**

Classified employees of the Sabine River Authority accumulate annual and sick leave at various rates depending on their years of service. These employees may accumulate unlimited amounts of annual and sick leave. Upon termination or death, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 16, Accounting for Compensated Absences, (GASB Code Sec. C60) no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**Cash and Cash Equivalents**

Cash and cash equivalents are short-term liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates.



**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become un-collectible, they will be charged to operating expenses when that determination is made.

**Property, Plant and Equipment**

Property, plant and equipment are stated at historical costs. Fixed assets in excess of \$1,000 are required to be capitalized. Depreciation has been provided using the straight-line method at annual rates as follows:

Dams and electric plants	1.50%
Water and pumping plant	1.50% - 5.00%
Buildings	2.00% - 5.00%
Equipment	4.00% - 20.00%
Roads and parking lots	3.33% - 5.00%
Golf course	2.00%

**Budgets and Budgetary Accounting**

The Authority prepares a budget for use in planning and controlling costs. The budget and any changes are approved by the Board of Commissioners.

**Restricted Assets**

The restricted assets consist of a bond sinking fund, bond reserve fund, bond operating reserve funds, and contingency and replacement reserve funds on revenue bonds. The bond sinking, bond operating reserve, and contingency and replacement reserve funds are segregated as required by the bond indentures.

**Rates and Regulations**

The Louisiana Public Service Commission (LPSC) has original jurisdiction over the electric rates charged by the Authority. In 1992, the LPSC granted a rate increase. The rate from May 2009 to April 2010 was \$39.46 per MKH. The rate from May 2010 to April 2011 was \$40.38 per MKH. The rate from May 2011 going forward is \$41.46 per MKH. Water rates are established by the Authority's Board of Commissioners.

**Risk Management**

The Authority is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements (Continued)  
Year Ended June 30, 2011 and 2010**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**Deposits With Financial Institutions**

The Authority may deposit funds within a fiscal agent bank selected and designated by the Cash Management Review Board of the State Treasury. Further, the Authority may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally chartered credit unions.

At year end, the carrying amount of the Authority's demand deposits was \$1,504,719 and the bank balance was \$1,584,627. Of the bank balance, all was covered by federal depository insurance and \$777,809 of pledged collateral held by the pledging institution's agent but not in the entity's name.

	Fair Value
Cash and equivalents categorized:	\$ 1,504,719
Cash and equivalents not categorized:	
Money Market Funds*	9,858,980
Cash in State Treasury	<u>2,587</u>
Total	<u>\$11,366,286</u>

\*The underlying investments consist solely of and are limited to securities of the United States government or its agencies. The Authority does not have a policy relative to custodial credit risk or interest rate risk.

**NOTE 3 - FIXED ASSETS**

Balances of fixed assets acquired through the Joint Operation between Sabine River Authority, State of Louisiana and Sabine River Authority of Texas in the amount of \$41,105,852 was obtained from audited financial statements. Other fixed asset balances were obtained from sources that could not be audited. Unaudited fixed assets totaled \$10,873,084, which is net of accumulated depreciation of \$10,513,728. Depreciation expense for the year ended June 30, 2011 was \$2,048,197 and \$2,124,792 for the year ended June 30, 2010. Fixed assets as of June 30, 2011 were as follows:

	Land	Reservoirs and Waterways	Dams and Electric Plant	Water and Pumping Plant	Recreation Site Improvements	Equipment	All Others
Balance, June 30, 2010	\$ 1,430,434	\$ 18,000,579	\$ 22,094,463	\$ 22,743,568	\$ 5,510,594	\$ 4,252,847	\$ 25,204,915
Additions				1,582,461	466,310	123,182	134,668
Deletions						(20,239)	(5,651)
Accumulated depreciation		(9,997,722)	(10,914,939)	(10,949,503)	(3,917,371)	(3,434,960)	(9,893,266)
Construction in progress							<u>69,252</u>
Balance, June 30, 2011	<u>\$ 1,430,434</u>	<u>\$ 8,002,857</u>	<u>\$ 11,179,524</u>	<u>\$ 13,376,526</u>	<u>\$ 2,059,533</u>	<u>\$ 2,697,848</u>	<u>\$ 13,732,900</u>

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements (Continued)  
Year Ended June 30, 2011 and 2010**

**NOTE 4 - CONSTRUCTION IN PROGRESS**

The Authority has various construction projects in progress as of June 30, 2008. The following is a schedule of the most significant of these projects:

	<u>Estimated Total Cost</u>	<u>Cost Incurred to Date</u>	<u>Estimated Completion Date</u>
Pumps	\$210,000	168,276	September, 2011
RV Pads	\$116,743	100,252	June, 2012

**NOTE 5 - LONG-TERM DEBT**

Outstanding long-term debt of Sabine River Authority, State of Louisiana for the year ended June 30, 2008 consist of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Original Amount (000's)</u>
Taxable Revenue Bonds:				
Series 2008	2008	2014	Variable	\$ 1,620
Revenue Refunding Bonds:				
Series 2003	2003	2014	3.89%	\$ 5,765

Interest rate for Taxable Revenue Bonds Series 2003 is the LIBOR rate plus 2.00%.

The bonds are secured by the Authority's net cash flows.

	<u>Outstanding 06/30/10 (000's)</u>	<u>Added</u>	<u>Retired</u>	<u>Outstanding 06/30/11 (000's)</u>
Taxable Revenue Bonds				
Series 2008	1,250	-0-	295	955
Revenue Refunding Bonds:				
Series 2003	2,450	-0-	570	1,880
Total long-term debt	<u>\$ 3,700</u>	<u>\$ -0-</u>	<u>\$ 865</u>	<u>\$ 2,835</u>

The annual debt service requirements to maturity of all bonds outstanding at June 30, 2011 follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	900,000	\$ 119,832	\$ 1,019,832
2013	945,000	81,772	1,026,772
2014	990,000	33,743	1,023,743
	<u>\$ 2,835,000</u>	<u>\$ 235,347</u>	<u>\$ 3,070,347</u>

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements (Continued)  
Year Ended June 30, 2011 and 2010**

**NOTE 6 - PLEDGED REVENUES, COMMODITIES, AND UTILITIES**

Under the terms of the Indenture of Trust, revenue from power sales to electric companies is paid directly to the Trustee on the first day of each August, November, February, and May. The money is administered by the Trustee as follows:

From the power payments received in February and August, the Trustee deposits into the Bond Fund an amount sufficient for payment of the principal and interest due on the next succeeding interest payment date. The Bond Fund is used solely for the purpose of paying the principal and interest on the bonds as such payments become due.

The power payments received in May and November are deposited in the Revenue Fund. The money in the Revenue Fund is applied to any deficiencies existing in the Bond Fund, Operating Reserve Fund, and the Contingency and Replacement Reserve Fund, in that order. The Operating Reserve Fund is to be maintained at \$50,000, to be used to prevent a pending or threatened default in the payment of bonds or the related interest coupons. The contingency and Reserve Replacement Fund was established with an initial deposit of \$250,000 by the Trustee, with a provision for an additional deposit not to exceed \$500,000. Under the terms of the power agreement, the total of \$750,000 represents the Authority's one-half of the aggregate amount to be held in the Contingency and Reserve Replacement Fund to be used for extraordinary repairs and replacements of the Project as outlined in the power sales agreement.

After all deficiencies have been remedied and the required payments made, all money remaining in the Revenue Fund on or after each March 2 and September 2 are to be applied by the Trustee, at the request of the Authority, for any one or more of the following purposes, at the discretion of the Authority with such priority as the Authority may determine:

1. Accelerated payments to the Companies to repay advance payments for power.
2. The retirement of bonds in advance of maturity.
3. The payment of principal and interest, or both, on any subordinate bonds which may have been issued by the Authority.
4. The accumulation of money in the Operating Reserve Fund -- Louisiana Account and the Contingency and Replacement Reserve Fund -- Louisiana Account.
5. To the Authority for any other lawful purpose of the Authority.

In the absence of any such request of the Authority to the Trustee with respect to such remaining money, the money shall remain in the Revenue Fund.

Sabine River Authority issued refunding bonds for \$5,765,000 and taxable revenue bonds for \$2,825,000 in 2003. The refunding bonds allowed the Authority to defease its Series 1999 bonds. The taxable revenue bonds were used to replace two hydroelectric generating units at Toledo Bend and to pay a portion of the cost of redeeming outstanding Series 1964 general obligation bonds. The bonds are secured by a pledge of (i) the net compensation, revenues, and receipts derived from all commodities sold and rendered by Sabine River Authority (except for revenues derived from the sale of water from the Sabine River Diversion Canal); (ii) all net revenues derived or to be derived from leases or operating agreements; and (iii) all net revenues derived from the sale of electric power and energy. The Authority has dedicated an amount sufficient for the payment of the bonds to cover the principal and interest requirements as they become due and payable until the bonds are fully paid and discharged in 2014. Revenues available for debt service coverage during the current fiscal year were

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 6 - PLEDGED REVENUES, COMMODITIES, AND UTILITIES (continued)**

approximately \$3,695,681. The total principal and interest remaining on the bonds is \$2,835,000 and \$235,347, respectively. The principal and interest paid for the current year was \$865,000 and \$156,430.

**NOTE 7 - PER DIEM PAID COMMISSION MEMBERS**

The Authority is comprised of thirteen members who are appointed by the Governor. Per diem payments to members for the year ended June 30, 2011 were as follows:

Norman Arbuckel	\$3,600
Daniel Cupit	2,800
Kermie Valentine	3,000
Thurmon Nash	3,400
Carlton Gibson	2,800
Estella Scott	3,200
C. E. Burgess	3,200
Stanley Vidrine	3,400
Byron Gibbs	1,600
Bobby Williams	3,800
Larry Kelly	3,400
Ned Goodeaux	3,800
Robert Conyer	2,800
	<hr/>
	\$ 40,800

**NOTE 8 - EMPLOYEE RETIREMENT SYSTEM**

**Plan Description**

Substantially all employees of Sabine River Authority, State of Louisiana participate in the Louisiana State Employee's Retirement System (LASERS), a multiple-employer, cost-sharing pension plan established by the Louisiana Legislature. All employees who work at least 28 hours a week and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with ten years of service at age 60. The retirement allowance is equal to 2.5% of the member's average annual earned compensation for the thirty-six highest months of successive employment multiplied by his years of creditable service plus \$300, with certain provisions made for those employees who were members of the supplemental pay plan prior to its revision date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The System also provides disability and survivor benefits. Benefits are established by State statute. LASERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804.

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 8 -EMPLOYEE RETIREMENT SYSTEM (continued)**

**Funding Policy**

Plan members are required to contribute 7.5% - 8% (based on date of hire) of their earnings to the plan and the Authority is required to contribute at an actuarially determined rate. The Authority contributed 18.6% of the employees' annual covered payroll through June 30, 2010 and 22% for annual covered payroll through June 30, 2011. The contribution requirements of plan members and the Authority are established by statute. The Authority's contribution to LASERS for the years ended June 30, 2011, 2010, and 2009 were \$429,153, \$332,279, and \$317,980, respectively, equal to the required contributions.

**NOTE 9 - POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**Background**

The State of Louisiana compensates its employees in a variety of ways in exchange for their services. In addition to a salary, many employees are provided benefits over their years of service that will not be received until their employment with the State ends. The most common of these postemployment benefits is pension. Other postemployment benefits (OPEB) provided are healthcare and life insurance benefits. For fiscal year 2011 and 2010, costs of providing the State's portion of retiree medical and life insurance benefits premiums were recognized as an expense when the benefit premiums were due and thus were financed on a pay-as-you-go basis.

**Plan Description**

The Sabine River Authority's (SRA) employees participate in the State of Louisiana's OPEB plan, Office of Group Benefits (OGB), is the administrator for the agent multiple-employer defined benefit OPEB plan. It provides healthcare coverage and life insurance to eligible participants who are employees of SRA. The SRA had 40 active participants and 15 retired participants in the plan for fiscal year ending 2011 and 36 active participants and 15 retired participants for fiscal year ending 2010. Benefit provisions are established or may be amended under the authority of LRS 42:802. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. OGB does not issue stand alone financial report of the Plan; however, the financial information is included in the State's Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained on the website at [www.doa.la.gov/osrap-2htm](http://www.doa.la.gov/osrap-2htm).

**Funding Policy**

Substantially all employees become eligible for postretirement benefits if they reach normal retirement age while working for the State and are a member of OGB. Life insurance for the individual employee is financed by equal contributions from the State and the employee; insurance for eligible dependents and voluntary optional life products are funded totally through employee contributions. To be eligible for retiree health insurance coverage, the coverage must be in effect prior to the retirement date. For those beginning participation or rejoining on or after January 1, 2002, the state subsidy of the premium is based on the number of years in a Group Benefits Health Plan. This also applies to dependents that begin coverage after July 1, 2002. OGB offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements (Continued)  
Year Ended June 30, 2011 and 2010**

**NOTE 9 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

(PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (FFS) plan. Administrative costs of the OGB plan are financed through the premiums collected for all classes of active and retired plan members. Contribution amounts vary depending on which healthcare provider is selected from the plan, years of participation, and if the member has Medicare coverage. Following is a summary of plan provisions.

**Health Insurance Monthly Premiums**

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost).

Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

Service	Employer Contribution %	Employee Contribution %
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Life insurance premiums are as follows, retiree pays 50 cents for each \$1,000 of life insurance and 88 cents for each \$1,000 of spouse life insurance.

**Annual OPEB Cost and Net OPEB Obligation**

The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2007, the State implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows:

	2011	2010	2009
Annual Required Contribution	\$491,300	\$583,000	\$706,400
Annual OPEB cost	\$343,400	\$585,000	\$707,341
Contributions made	\$109,930	\$119,514	\$119,254
Increase in net OPEB obligation	\$233,470	\$465,486	\$588,087
Net OPEB obligation, beginning	\$1,579,573	\$1,114,087	\$526,000
Net OPEB obligation, ending	\$1,813,043	\$1,579,573	\$1,114,087
Percentage of Annual OPEB			
Cost Contributed	32%	20%	17%

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 9 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

**Funding Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$5,707,300 for Sabine River Authority, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,593,700, and the ratio of unfunded actuarial accrued liability to the covered payroll was 358%.

Actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is based on the expected long-term investment returns on the employer's own investments, and on initial annual healthcare cost trend rates of 8.5% and 9.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on a open basis. The remaining amortization period at June 30, 2011, was twenty-seven years. The actuarial determined funding progress and required contributions for OGB OPEB Plan using the projected unit credit method is as follows:

	<b>Schedule of Funding</b>	<b>Progress</b>
Actuarial valuation date	7/1/2010	7/1/2009
Actuarial accrued liability (AAL)	\$5,707,300	\$7,005,500
Unfunded AAL (UAAL)	\$5,707,300	\$7,005,500
Funded ratio	0.00%	0.00%
Covered payroll	\$1,593,700	\$1,414,600
UAAL as % of Covered Payroll	358%	495%



**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements  
Year Ended June 30, 2011 and 2010**

**NOTE 9 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)**

	Schedule of	Employer Contributions	
	2011	2010	2009
Annual Required Contribution (ARC)	\$491,300	\$583,000	\$707,341
Contributions	\$109,930	\$119,254	\$119,254
Percentage Contributed	22.38%	20.45%	16.85%

**NOTE 10 – LITIGATION**

The Authority is subject to various claims and lawsuits which may arise in the ordinary course of business. After consulting with counsel representing the Authority in connection with such claims and lawsuits, it is the opinion of management and counsel that the disposition or ultimate determination of such claims and lawsuits will not have a material effect on the financial position of the Authority. The Authority is subject to a claim for property damages that of the opinion of legal counsel is reasonably possible of a loss to the Authority. However, an estimate of loss or range of loss cannot be made at this time.

**NOTE 11 – CONTINGENT LIABILITIES**

Public law 98-571 directed the Federal Energy Regulatory Commission (FERC) to waive annual administration charges for the use of United States lands during the remaining term of the license to operate the Toledo Bend Joint Project (Project). The license expires fifty years from October 1, 1963. The waiver is contingent upon FERC determining that the power from the Project is sold to the public without profit. All exemptions applied for through June 30, 2011 have been approved.

**NOTE 12 – LEASE OF RECREATIONAL FACILITY**

The Authority leased property and facilities, including the conference center, golf course, club house, cart storage building, service center buildings, pavilion complex at parksite 11, restaurants, stores, tennis courts, activity center, pool, and other commercial property, if and when constructed on the leased property for 75 years beginning on May 1, 2000 to ALH Properties No. Five, Inc. ALH will pay rent to the Authority as follows:

Opening date through December 31, 2001 - 1% of annual gross revenue.

Calendar year 2002 through 2004 – 1.5% of annual gross revenue.

Calendar year 2005 and thereafter – 2.0% of annual gross revenue up to \$5,000,000, 4.0% of annual gross revenue \$5,000,000 and \$6,000,000, 5.0% of annual gross revenue between \$6,000,000 and \$7,000,000, 5.5% of annual gross revenue between \$7,000,000 and \$8,000,000, 6.0% of annual gross revenue between \$8,000,000 and \$9,000,000, 6.5% of annual gross revenue between \$9,000,000 and \$10,000,000, and 7.0% of annual gross revenue over \$10,000,000.

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Notes to Financial Statements (Continued)  
Year Ended June 30, 2011 and 2010**

**NOTE 12 – LEASE OF RECREATIONAL FACILITY (continued)**

The cost for leased property is \$21,500,602 and the amount of accumulated depreciation as of June 30, 2011 was \$7,605,206. Contingent rentals received from the year end June 30, 2011 was \$184,214 and \$182,928 for the year ended June 30, 2010.

SRA has entered into an Agreement (the "Agreement") with Sabine State Bank & Trust Company ("Bank"). It provides for SRA to subordinate any and all liens, privileges, pledges or other rights granted to SRA by Louisiana Civil code Article 2705, et seq., or Louisiana Civil Code Article 3218, et seq., with respect to all of ALH's inventory, goods, equipment, and other movable property ("Collateral") situated on property SRA leased to ALH to the rights of Bank. SRA also agreed that in the event of any foreclosure, sale or other disposition of any of the Collateral, the rights of Bank in said Collateral shall in all respects prime those of SRA and Bank shall be paid by preference and priority to and over any claim of SRA.

**NOTE 13 – RECLASSIFICATIONS**

Certain reclassifications may have been made to the June 30, 2010 financial statements in order for them to be better compared to the June 30, 2011 financial statements.

**NOTE 14 – SUBSEQUENT EVENTS**

Subsequent to fiscal year end June 30, 2011, the Authority is in the process of issuing \$10,000,000 of revenue bonds for certain repairs and improvements to the Sabine River diversion system.

## **SUPPLEMENTAL INFORMATION**

# STEVEN M. DEROUEN, CPA

P.O. BOX 4265  
LAKE CHARLES, LA 70606  
(337) 513-4915 OFFICE | (337) 513-4737 FAX  
steve@sderouencpa.com

Member American Institute of  
Certified Public Accountants

Member Louisiana Society of  
Certified Public Accountants

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*Certified Public Accountants*

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Sabine River Authority  
State of Louisiana

I have audited the financial statements of Sabine River Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, and have issued my report thereon dated August 29, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Sabine River Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sabine River Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sabine River Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of management of Sabine River Authority and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Steven M. DeLong, CPA*

Lake Charles, LA  
August 29, 2011

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011**

I have audited the financial statements of Sabine River Authority, State of Louisiana, as of and for the year ended June 30, 2011, and have issued our report thereon dated August 29, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2011 resulted in a qualified opinion.

**Section I – Summary of Auditor's Reports**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

**1. Internal Control**

Significant Deficiencies    ☐ Yes    ☒ No  
Material Weaknesses        ☐ Yes    ☒ No

**Compliance**

Compliance Material to Financial Statements    ☐ Yes    ☒ No

**2. Federal Awards – not applicable**

**Section II – Financial Statement Findings**

Not applicable

**Section III – Federal Award Findings and Questioned Costs**

Not applicable

**SABINE RIVER AUTHORITY,  
State of Louisiana  
Schedule of Prior Year Findings  
Year Ended June 30, 2010**

Section I – Internal Control and Compliance Material to the Financial Statements – none.

Section II – Internal Control and Compliance Material to Federal Awards- Not applicable.

Section III – Management Letter. The prior year report did not include a management letter.

SABINE RIVER AUTHORITY  
(Agency Name)  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2011

CONTENTS

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities (See Also Instructions for Simplified Statement of Activities)	C
Statement of Cash Flows	D

Notes to the Financial Statements

- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (See OSRAP Memo 11-36, Appendix A)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Other Postemployment Benefits (Additional information in OSRAP Memo 11-36, Appendix D)
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Revenues or Receivables – Pledged or Sold (GASB 48) (See OSRAP Memo 11-36, Appendix E)
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers



- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation (See OSRAP Memo 11-36, Appendix C)
- CC. Impairment of Capital Assets (See OSRAP Memo 11-36, Appendix B)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. American Recovery and Reinvestment Act (ARRA)

**Schedules**

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see OSRAP Memo 11-36 Appendix F)

**See the Appendix Packet on our Website (OSRAP Memo 11-36)**

Schedule Number

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 20 11

Sabine River Authority

15091 Texas Hwy.

Many, LA 71449-5718

(Agency Name & Mailing Address)

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

Physical Address:  
1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802


Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, James W. Pratt, Exec. Dir. (Name)  
(Title) of Sabine River Authority (Agency) who duly sworn, deposes and says, that the financial  
statements herewith given present fairly the financial position of Sabine River Authority (Agency) at June  
30, 11 and the results of operations for the year then ended in accordance with policies and practices established  
by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed  
by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 30th day of

August, 20 11.

  
Signature of Agency Official

  
EX-OFFICIO NOTARY PUBLIC  
#64315

Prepared by: Kellie Ferguson

Title: Administrative Director

Telephone No.: (318) 256-4112

Date: 8/30/11

Email Address: Kellie.Ferguson@MAIL.LA.GOV

**STATE OF LOUISIANA**  
**Sabine River Authority (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2011**

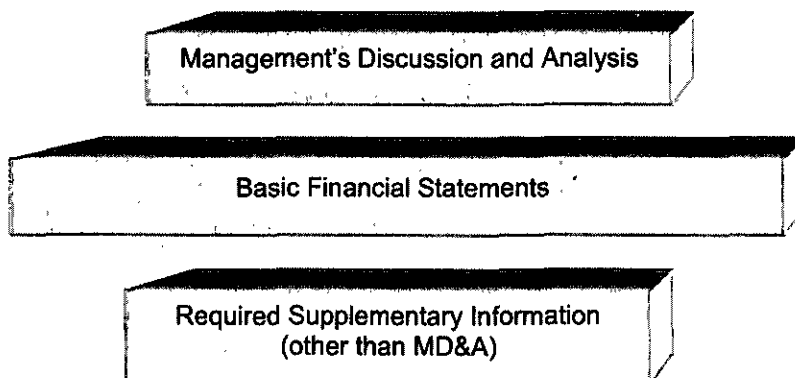
Management's Discussion and Analysis of the Sabine River Authority's (BTA) financial performance presents a narrative overview and analysis of Sabine River Authority's (BTA) financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 3 - 7 and the Sabine River Authority's (BTA) financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

- ★ The Sabine River Authority's (BTA) assets exceeded its liabilities at the close of fiscal year 2011 by 62,717,894, which represents a 0.6% increase from last fiscal year. The net assets increased by \$379,432 (or 0.6%).
- ★ The Sabine River Authority's (BTA) revenue decreased \$4,292,331 (or 34%) and the net results from activities decreased by \$4,149,729 (or 91%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**Basic Financial Statements**

The basic financial statements present information for the Sabine River Authority (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (pages 8 - 9) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a

**STATE OF LOUISIANA**  
**Sabine River Authority (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2011**

useful indicator of whether the financial position of the Sabine River Authority (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages 10) presents information showing how Sabine River Authority's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 11- 12) presents information showing how Sabine River Authority's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets as of June 30, 2011 (in thousands)		
	Total	
	2011	2010
Current and other assets	\$ 12,334	\$ 14,538
Capital assets	55,450	53,567
Total assets	67,784	68,105
Other liabilities	2,231	2,067
Long-term debt outstanding	2,835	3,700
Total liabilities	5,066	5,767
Net assets:		
Invested in capital assets, net of debt	52,575	49,815
Restricted	1,625	1,459
Unrestricted	8,518	11,064
Total net assets	\$ 62,718	\$ 62,338

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of Sabine River Authority's (BTA) increased by \$379,432, or 0.6%, from June 30, 2010 to June 30, 2011. The primary reason is due to decreased power sales from low lake levels.

**STATE OF LOUISIANA**  
**Sabine River Authority (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2011**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**for the years ended June 30, 2011**  
**(in thousands)**

	<b>Total</b>	
	<b>2011</b>	<b>2010</b>
Operating revenues	\$ 7,941	\$ 12,624
Operating expenses	7,811	7,911
Operating income(loss)	130	4,713
Non-operating revenues	395	4
Non-operating expenses *	(146)	(188)
Income(loss) before transfers	379	4,529
Transfers in	-	-
Transfers out	-	-
Net increase(decrease) in net assets	\$ 379	\$ 4,529

\* Enter expenses as a negative amount

The Sabine River Authority's (BTA) total revenues decreased by \$ 4,149,729 or (91%). The total cost of all programs and services decreased by \$145,244 or 0.02%.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year ended June 30, 2011, the Sabine River Authority (BTA) had \$55,450,050 invested in a broad range of capital assets, including land, reservoirs and waterways, dams and electric plant, water and pumping plant, recreation site improvements, and equipment. (See accompanying Table). This amount represents a net increase (including additions and deductions) of \$1,882,838, or 3.5%, over last year.

This year's major additions included (in thousands):

- Siphon Project \$1,525
- Northern Trailhead Project \$ 276

**STATE OF LOUISIANA**  
**Sabine River Authority (BTA)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2011**

	2011	2010
Land	\$ 1,430	\$ 1,430
Reservoirs and Waterways	8,003	8,280
Dams and Electric Plant	11,180	11,520
Water and Pumping Plant	13,377	12,148
Recreation Site Improvements	2,060	1,734
Equipment	2,698	1,011
All Others	16,703	17,444
Totals	\$ 55,451	\$ 53,567

**Debt**

The Sabine River Authority (BTA) had \$ 2,835 thousand in bonds and notes outstanding at year-end, compared to \$3,700 thousand last year, a decrease of 23% as shown in the accompanying table.

Outstanding Debt at Year-end (in thousands)		
	2011	2010
Revenue Bonds and Notes	\$ 2,835	\$ 3,700
Totals	\$ 2,835	\$ 3,700

The Sabine River Authority revenue bonds are not rated. Other obligations include accrued vacation and OPEB.

**CONTACTING THE SABINE RIVER AUTHORITY'S (BTA) MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sabine River Authority's (BTA) finances and to show the Sabine River Authority's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jim Pratt, Executive Director at (318) 256-4112.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
BALANCE SHEET  
AS OF June 30, 2011**

**Statement A**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 8,801,206
Restricted Cash and Cash Equivalents	
Investments	
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	910,498
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	9,711,704

**NONCURRENT ASSETS:**

Restricted assets (Note F):	
Cash	2,565,080
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	1,430,434
Buildings and improvements	12,247,533
Machinery and equipment	920,830
Infrastructure	19,182,382
Intangible assets	2,970,428
Construction/Development-in-progress	420,488
Other noncurrent assets	18,334,859
Total noncurrent assets	58,072,034
Total assets	\$ 67,783,738

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 184,744
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	14,102
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	218,955
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	900,000
Other long-term liabilities	
Total current liabilities	1,317,801

**NONCURRENT LIABILITIES: (Note K)**

Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	1,935,000
OPEB payable	1,813,043
Other long-term liabilities	
Total noncurrent liabilities	3,748,043
Total liabilities	5,065,844

**NET ASSETS**

Invested in capital assets, net of related debt	52,575,106
Restricted for:	
Capital projects	
Debt Service	1,625,136
Unemployment compensation	
Other specific purposes	
Unrestricted	8,517,652
Total net assets	62,717,894
Total liabilities and net assets	\$ 67,783,738

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)**

**Statement B**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

**OPERATING REVENUE**

Sales of commodities and services	\$ 7,138,317
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	802,398
Total operating revenues	7,940,715

**OPERATING EXPENSES**

Cost of sales and services	5,747,658
Administrative	
Depreciation	2,048,197
Amortization	15,190
Total operating expenses	7,811,045

Operating income(loss)	129,670
------------------------	---------

**NON-OPERATING REVENUES (EXPENSES)**

State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	4,202
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	(1,420)
Federal grants	
Interest expense	(144,231)
Other revenue	391,211
Other expense	
Total non-operating revenues(expenses)	249,762

Income(loss) before contributions, extraordinary items, & transfers	379,432
---	---------

Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	

Change in net assets	379,432
----------------------	---------

Total net assets - beginning	62,338,462
------------------------------	------------

Total net assets - ending	\$ 62,717,894
---------------------------	---------------

The accompanying notes are an integral part of this financial statement.



**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement C**

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Net (Expense) Revenue and Changes in Net Assets
Entity	\$ 7,956,696	\$ 7,940,715	\$	\$
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				4,202
Miscellaneous				391,211
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				395,413
Change in net assets				379,432
Net assets - beginning as restated				62,338,462
Net assets - ending				\$ 62,717,894

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D  
(continued)**

Cash received from customers	\$ 7,616,881	
Cash payments to suppliers for goods and services	(1,916,992)	
Cash payments to employees for services	(3,131,096)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	51,636	
Net cash provided(used) by operating activities		<u>2,620,429</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds	(865,000)	
Interest paid on bond maturities	(156,430)	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(3,932,389)	
Proceeds from sale of capital assets		
Capital contributions		
Other	624,615	
Net cash provided(used) by capital and related financing activities		<u>(4,329,204)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	4,202	
Net cash provided(used) by investing activities		<u>4,202</u>
Net increase(decrease) in cash and cash equivalents		<u>(1,704,573)</u>
Cash and cash equivalents at beginning of year		<u>13,070,859</u>
Cash and cash equivalents at end of year		<u>\$ 11,366,286</u>

**Statement D**  
(concluded)

Operating income(loss)	\$	129,670
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization		2,063,387
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		485,175
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals		(291,273)
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		233,470
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities	\$	2,620,429

Borrowing under capital lease(s)	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
_____	_____
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$ _____</b>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

**INTRODUCTION**

The Sabine River Authority (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 38:2321-2337. The following is a brief description of the operations of Sabine River Authority (BTA) and includes the parish/parishes in which the (BTA) is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Sabine River Authority (BTA) present information only as to the transactions of the programs of the Sabine River Authority (BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Sabine River Authority (BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

**B. BUDGETARY ACCOUNTING**

The Authority prepares a budget for use in planning and controlling costs. The budget and any changes are approved by the Board of Commissioners.

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 11-36, Appendix A, for information related to Note C.

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Sabine River Authority (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**GASB Statement 40, which amended GASB Statement 3**, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2011, consisted of the following:

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

	Cash	Nonnegotiable Certificates of Deposit	Other Money Market	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 1,504,719	\$	\$ 9,858,980	\$ 11,363,699
Deposits in bank accounts per bank	\$ 1,584,627	\$	\$ 9,858,980	\$ 11,443,607
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	777,809			777,809

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. Sabine State Bank	Revenue	\$ 446,749
2. FNB DeRidder	Joint Operations	240,893
3. Orange Savings	Joint Operations	326,388
4. Peoples State Bank	Economic Stabilization	521,881
# Hancock		48,716
Total		\$ 1,584,627

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ 2,587
Petty cash	\$

**2. INVESTMENTS**

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

The Sabine River Authority (BTA) does/does not maintain investment accounts as authorized by State of Louisiana (Note legal provisions authorizing investments by (BTA)).  
**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns investments regardless of custodial credit risk.

Investments Exposed  
to Custodial Credit Risk

All Investments Regardless of  
Custodial Credit Risk Exposure

Uninsured,  
\*Unregistered,  
and Held by

Uninsured,  
\*Unregistered,  
and Held by

Counterparty's  
Trust Dept. or  
Agent Not in  
Entity's Name

Reported  
Amount  
Per Balance  
Sheet

Fair  
Value

still must be reported for total  
exposure to

Type of Investment	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount Per Balance Sheet	Fair Value
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

\* Unregistered - not registered in the name of the government or entity

\*\* These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. ( See Appendix A, Memo 11-36 for the definition of US Government Obligations)

\*\*\* LAMP investments should not be included in deposits AND should be identified separately in this table to

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES**

**A. Credit Risk of Debt Investments**

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
		\$
	Total	\$

**B. Interest Rate Risk of Debt Investments**

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments, unless you have an external investment pool as discussed in OSRAP Memo 11-22.)



**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	_____	_____	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other bonds (describe)	_____	_____	_____	_____	_____
Mutual bond funds	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total debt investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See OSRAP Memo 11-36, Appendix A, for examples of debt investments that are highly sensitive to changes in interest rates.

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

Issuer	Amount	% of Total Investments
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

**D. Foreign Currency Risk**

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$ -	\$ -

**4. DERIVATIVES (GASB 53)**

**A. Summary of Derivative Instruments**

Complete the following table, "Summary of Derivative Instruments" for all derivative instruments held by the entity at June 30, 20\_\_\_. If no derivative instruments were held by the entity at June 30, please state "None".

Summary of Derivative Instruments

<u>Type</u>	<u>Notional</u>	<u>Changes in Fair Value</u>		<u>Fair Value at June 30</u>	
		<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount *</u>
<u>Investment Derivative Instruments:</u>			\$		\$
<u>Fair Value Hedges:</u>			\$		\$
<u>Cash Flow Hedges:</u>			\$		\$

\*If fair value is based on other than quoted market prices, the methods and significant assumptions used to estimate those fair market values should be disclosed.

**B. Investment Derivative Instruments**

Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. Separately list each investment derivative instrument included in the table above and discuss the exposure to risk from these investments for the following risks:

**1. Credit Risk of Investment Derivative Instruments**

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**


**2. Interest Rate Risk of Investment Derivative Instruments**

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

Disclose the reference rate for each investment derivative instrument along with any embedded options


**3. Foreign Currency Risk of Investment Derivative Instruments**

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$	\$
	-	-

**4. Reclassification from Hedging Derivative Instrument to Investment Derivative Instrument**

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

Item Reclassified	Notional Amount	Ineffective @ 6/30/11 (Y/N)	Fair Value @ 6/30/11	Ineffective @ 6/30/10 (Y/N)	Fair Value @ 6/30/10	Change in Fair Value @ 6/30/11
						-
						-
						-
						-

**C. Hedging Derivative Instruments**

Complete the following table- Terms and Objectives of Hedging Derivative Instruments - for all hedging derivative instruments held by the entity at June 30, 20\_\_.

Terms and Objectives of Hedging Derivative Instruments						
Type	Notional	Objective	Effective Date	Maturity Date	Terms *	Counterparty Credit Rating

\*Terms include reference rates, embedded options, and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.

Interest rates and the various swap indices change over time. Use the schedule below to summarize payments on the swap and interest payments to bondholders for applicable hedging derivative instruments.

List each hedging derivative separately, and discuss the exposure to risk from these hedges for the following risks:

Hedging Derivative Instrument	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		

**1. Credit Risk of Hedging Derivative Instruments**

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. Interest Rate Risk of Hedging Derivative Instruments**

Hedging Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

**3. Basis Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**4. Termination Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**5. Rollover Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**6. Market-Access Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**7. Foreign Currency Risk of Hedging Derivative Instruments**

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$	\$

If any hedged items are a debt obligation, then its net cash flows are required to be disclosed in accordance with GASB Statement No. 38, paragraphs 10 – 11. This information, if applicable, should be provided below, and will be included in Note 8 of the CAFR.

Using the following chart, provide the principal and interest requirements to maturity for those hedged items that are a debt obligation. If your fiscal year ends other than June 30, change the date within the table. If the number of years for your debt to terminate exceeds the years listed, add those years to the table (in 5 year increments).

**Debt and Lease Obligations for Hedged Debt (per GASB 38, paragraph 10)**

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivative</u> <u>Instruments, Net</u>	<u>Total</u>
2012	\$	\$	\$	\$
2013				
2014				
2015				
2016				
2017-2021				
2022-2026				
2027-2031				
2032-2036				
2037-2041				
Total				

*Note: The hedging derivative column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.*

List any terms by which the interest rates change for variable-rate debt.

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Using the following chart, provide the future minimum lease payments for those hedged items that are obligations under capital and noncancelable operating leases (per GASB 38, paragraph 11). If your fiscal year ends other than June 30, change the date within the table.

<u>Fiscal Year Ending</u> <u>June 30</u>	<u><sup>11</sup> Minimum Future</u> <u>Lease Payment</u>
2012	\$
2013	
2014	
2015	

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

If the number of years for your lease extends beyond the years listed, add those years to the table (in 5 year increments).

If effectiveness is determined by another quantitative method not identified in GASB Statement No. 53, provide the identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

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**D. Contingent Features**

Disclose any contingent features that are included in derivative instruments held at the end of the reporting period. The required disclosures include (1) the existence and nature of contingent features and the circumstances in which the features could be triggered, (2) the aggregate fair value of derivative instruments that contain those features, (3) the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities, and (4) the amount, if any, that has been posted as collateral by the government as of the end of the reporting period.

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**E. Hybrid Instruments**

If your entity has any hybrid instruments, disclosure of the companion instrument should be consistent with disclosures required of similar transactions. List any hybrid instruments below and provide information regarding any hybrid instruments and a reference to where the required disclosures can be found. If the required disclosures are not presented elsewhere, provide those disclosures below. If your entity does not have any hybrid instruments, state "None".

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

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**F. Synthetic Guaranteed Investment Contracts (SGICs)**

If your entity has a fully benefit-responsive SGIC, then a description of the nature of the SGIC and the SGIC's fair value (including separate disclosure of the fair value of the wrap contract and the fair value of the corresponding underlying investments) should be disclosed as of the end of the reporting period. Provide those required disclosures below. If your entity does not have any, state "None".

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**5. POLICIES**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

**No policies exist.**

**6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS Not Applicable**

a. Investments in pools managed by other governments or mutual funds

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b. Securities underlying reverse repurchase agreements

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c. Unrealized investment losses

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d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold

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2. Description of the terms of the agreement

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**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close) to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close) of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

Fair Value Disclosures (GASB 31)

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**Land and Other Real Estate Held as Investments by Endowments (GASB 52)**

- v. \_\_\_\_\_ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS Not Applicable**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

<b>University/System</b>	<b>Balance 6/30/2010</b>	<b>Prior Period Adjustments</b>	<b>Restated Balance 6/30/2010</b>	<b>Additions</b>	<b>* Reclassifi- cation of CIP</b>	<b>** Retirements</b>	<b>Balance 6/30/2011</b>
Capital assets not depreciated:							
Land	\$ 1,430,434	\$ -	\$ 1,430,434	\$ -	\$ -	\$ -	\$ 1,430,434
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Other intangibles	1,413,916	-	1,413,916	1,556,512	-	-	2,970,428
Construction in progress	351,236	-	351,236	69,252	-	-	420,488
Total capital assets not depreciated	\$ 3,195,586	\$ -	\$ 3,195,586	\$ 1,625,764	\$ -	\$ -	\$ 4,821,350
Other capital assets:							
Depreciable land improvements	\$ 30,811,440	\$ -	\$ 30,811,440	\$ 1,620,477	\$ -	\$ (3,830)	\$ 32,428,087
** Accumulated depreciation	(13,525,164)	-	(13,525,164)	(624,968)	-	-	(14,150,132)
Total land improvements	17,286,276	-	17,286,276	995,509	-	(3,830)	18,277,955
Buildings and improvements	22,296,400	-	22,859,362	562,962	-	(1,820)	22,857,542
** Accumulated depreciation	(10,010,685)	-	(10,010,685)	(601,144)	-	1,820	(10,610,009)
Total buildings and improvements	12,285,715	-	12,848,677	(38,182)	-	-	12,247,533
Furniture, fixtures and equipment	4,252,847	-	4,252,847	123,182	-	(20,239)	4,355,790
** Accumulated depreciation	(3,253,093)	-	(3,253,093)	(204,285)	-	22,418	(3,434,960)
Total furniture, fixtures and imp.	999,754	-	999,754	(81,103)	-	2,179	920,830
Infrastructure	40,095,043	-	40,095,043	-	-	-	40,095,043
** Accumulated depreciation	(20,295,162)	-	(20,295,162)	(617,499)	-	-	(20,912,661)
Total infrastructure	19,799,881	-	19,799,881	(617,499)	-	-	19,182,382
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 50,371,626	\$ -	\$ 50,371,626	\$ 258,725	\$ -	\$ (1,651)	\$ 50,628,700
Capital asset summary:							
Capital assets not depreciated	\$ 3,195,586	\$ -	\$ 3,195,586	\$ 1,625,764	\$ -	\$ -	\$ 4,821,350
Other capital assets, book value	97,455,730	562,962	98,018,692	1,743,659	-	(25,889)	99,736,462
Total cost of capital assets	100,651,316	562,962	101,214,278	3,369,423	-	(25,889)	104,537,812
Accumulated depreciation/amortization	(47,084,104)	-	(47,084,104)	(2,047,896)	-	24,238	(49,107,762)
Capital assets, net	\$ 53,567,212	\$ 562,962	\$ 54,130,174	\$ 1,321,527	\$ -	\$ (1,651)	\$ 55,430,050

\* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.  
\*\* Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported. Other intangible assets consist of expenditures (\$2,970,428 related to the Federal Energy Regulatory Commission license renewal. The renewal process will not be complete until fiscal year 2014 at which time the accumulated expenditures will then start to amortize over the life of the renewed license.

**E. INVENTORIES**

The BTA's inventories are valued using costs. These are perpetual inventories and are expensed when used.

**F. RESTRICTED ASSETS**

Restricted assets in the Sabine River Authority (BTA) at June 30, 2011 (fiscal year end), reflected at \$2,565,080 in the non-current assets section on Statement A, consist of \$2,565,080 in cash with fiscal agent, \$-0- in receivables, and \$-0- investments. State the purpose of the restrictions: The purpose of the restrictions to help fund debt service for the upcoming fiscal year.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Sabine River Authority (BTA) has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2011 (fiscal year end) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$218,955. The leave payable is recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://lasers.websitegadget.com/uploads/LASERS\\_2010\\_CAFR.pdf](http://lasers.websitegadget.com/uploads/LASERS_2010_CAFR.pdf)

Members are required by state statute to contribute with the single largest group (“regular members”) contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2011, increased to 22% of annual covered payroll from the 18.6% and 18.5% required in fiscal years ended June 30, 2010 and 2009 respectively. The (BTA) contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$429,153, \$332,279, and \$317,980, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

**1. Calculation of Net OPEB Obligation**

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP’s website - <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>) and select “GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011.” Report note disclosures for other plans, not administrated by OGB, separately.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	6/30/2011
1. * ARC	\$491,300
2. * Interest on NOO (4% )	\$63,200
3. * ARC adjustment	(\$60,400)
4. * Annual OPEB Expense (1. + 2. - 3.)	\$343,400
5. Contributions (employer pmts. to OGB for retirees' cost of 2011 insurance premiums)	\$109,930
6. Increase in Net OPEB Obligation (4. - 5.)	\$233,470
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	\$1,579,573
8. **NOO, end of year (6. + 7.)	\$1,813,043

\*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011."

\*\*This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2011 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see OSRAP Memo 11-36, Appendix D, on our website.

## 2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, GASB 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

### I. Plan Description

- Name of Plan
- Identify entity that administers the plan
- Type of plan
- Brief description of the types of benefits
- Authority under which benefit provisions are established or may be amended
- Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity, and, if so how to obtain the report.

### II. Funding Policy

- Authority under which the obligations of the plan members, employers, and other contributing entities (e.g., state contributions to local government plans) to contribute to the plan are established or may be amended.
- Required contribution rates of plan members (amount per member or percentage of covered payroll).

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

- c) Required contribution rates of the employer in accordance with the funding policy (in dollars or as percentage of current-year covered payroll) and, if applicable, legal or contractual maximum contribution rates: If the plan is a single-employer or agent plan and the rate differs significantly from the ARC, disclose how the rate is determined (e.g., by statute or contract) or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (e.g., by statute or by contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis.

**III. Additional disclosures for sole and agent employers for each plan:**

- a) For current year (CY), annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and the adjustment to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.
- b) For the current year and each of the two preceding years, disclose annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year. (For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)
- c) Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll. The information should be calculated in accordance with the parameters. However, employers that meet the criteria in GASB Statement 45, paragraph 11 may elect to use the alternative measurement method discussed in GASB Statement 45, paragraphs 33 through 35. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only.
- d) Information about the actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including the following:
  - 1) Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
  - 2) Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

- 3) Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations (as discussed in the disclosure of funding policy in paragraph II(c) above) on the pattern of cost sharing between the employer and plan members in the future.
- 4) Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
- 5) Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph III(c) above. The disclosures should include:
  - (a) The actuarial cost method.
  - (b) The method(s) used to determine the actuarial value of assets.
  - (c) The assumptions with respect to the inflation rate, investment return (including the method used to determine a blended rate for a partially funded plan, if applicable), postretirement benefit increases if applicable, projected salary increases if relevant to determination of the level of benefits, and, for postemployment healthcare plans, the healthcare cost trend rate. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates.
  - (d) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open. Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

**IV. Required Supplementary Information:**

Sole and agent employers should present the following information for the most recent actuarial valuation and the two preceding valuations:

- a. Information about the funding progress of the plan, including, for each valuation, each of the elements of information listed in paragraph III(c) above.
- b. Factors that significantly affect the identification of trends in the amounts reported, including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used. (The amounts reported for prior years should not be restated.)

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

The information should be calculated in accordance with the parameters and should be presented as RSI. Employers that use the aggregate actuarial cost method should prepare the information using the entry age actuarial cost method and should disclose that fact and that the purpose of this disclosure is to provide information that approximates the funding progress of the plan.

If the cost-sharing plan in which an employer participates does not issue and make publicly available a stand-alone plan financial report prepared in accordance with the requirements of Statement 43, and the plan is not included in the financial report of a PERS or another entity, the cost-sharing employer should present as RSI in its own financial report schedules of funding progress and employer contributions for the plan (and notes to these schedules), prepared in accordance with the requirements of Statement 43. The employer should disclose that the information presented relates to the cost-sharing plan as a whole, of which the employer is one participating employer, and should provide information helpful for understanding the scale of the information presented relative to the employer.

**J. LEASES**

**NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year \_\_\_\_\_ amounted to \$\_\_\_\_\_. (Note: If lease payments extend past FY 2026, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of Lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017- 2021	FY 2022- 2026
Office Space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**2. CAPITAL LEASES**

Capital leases (are/are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/11. In Schedule B, report only those new leases entered into during fiscal year 2010-2011.

**SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2031, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2031, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
d. Other	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2031, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**3. LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remanining principal to end of lease</u>
a Office space		\$	\$	\$
b Buildings				
c Equipment				
d Land				
e Other				
Less amounts representing executory costs				
Minimum lease payment receivable		-		
Less allowance for doubtful accounts				
Net minimum lease payments receivable		-		
Less estimated residual value of leased property				
Less unearned income				
Net investment in direct financing lease		\$ -		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2011 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for buildings, \$ \_\_\_\_\_ for equipment, \$ \_\_\_\_\_ for land, and \$ \_\_\_\_\_ for other.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2031, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2012	\$ _____
2013	_____
2014	_____
2015	_____
2016	_____
2017-2021	_____
2022-2026	_____
2027-2031	_____
Total	\$ _____

**4. LESSOR – OPERATING LEASE**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ -
b. Building	_____	_____	-
c. Equipment	_____	_____	-
d. Land	_____	_____	-
e. Other	_____	_____	-
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2031, please create additional rows and report these future minimum lease payment receivables in five year increments.)

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2012	\$ _____	\$ _____	\$ _____	\$ _____	\$ -
2013					-
2014					-
2015					-
2016					-
2017-2021					-
2022-2026					-
2027-2031					-
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

Contingent rentals received from operating leases received for your fiscal year was \$184,214 for recreational facilities.

**K. LONG-TERM LIABILITIES**

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2011:

	<u>Year ended June 30, 2011</u>			Amounts due within one year
	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
<b>Notes and bonds payable:</b>				
Notes payable	\$ -	\$ -	\$ -	\$ -
Bonds payable	3,700,000		865,000	2,835,000
Total notes and bonds	3,700,000	-	865,000	2,835,000
<b>Other liabilities:</b>				
Contracts payable				-
Compensated absences payable				-
Capital lease obligations				-
Claims and litigation				-
Pollution remediation obligation				-
OPEB payable				-
Other long-term liabilities				-
Total other liabilities	-	-	-	-
<b>Total long-term liabilities</b>	<b>\$ 3,700,000</b>	<b>\$ -</b>	<b>\$ 865,000</b>	<b>\$ 2,835,000</b>

(Balances at June 30<sup>th</sup> should include current and non-current portion of long-term liabilities.)

(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the Balance Sheet for each type of long-term liabilities.

**L. CONTINGENT LIABILITIES Not Applicable**

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **The State has a Self-Insurance Fund administered by the Office of Risk Management and it negotiates, and settles certain tort claims against the State or State agencies. Those claims against the State not handled through the Office of Risk Management should be reported in the following note.** Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in the impairment note.

The "probable outcome" of litigation can be described as probable, reasonably possible, or remote. Probable means the future event is likely to occur; reasonably possible means the future event is more than remote but less than likely to occur; remote means the future event has a slight chance to occur. Losses or ending litigation that is probable in nature should be accrued in the financial statements and reflected on the account line, Claims and Litigation Payable.



**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

The \_\_\_\_\_ (BTA) is a defendant in litigation seeking damages as follows: (List only litigation not being handled by the Office of Risk Management.)

Date of Action	Check (✓) if handled by AG's Office	Description of Litigation and Probable outcome (probable, reasonably possible or remote)	Estimated Amount for Claims & Litigation (opinion of legal counsel)	Insurance Coverage
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	\$ _____	\$ _____

**\* Check ONLY those cases in which the AG's Office is representing or defending your entity. Also, if the AG's Office is defending your entity in a lawsuit and you are not aware of the probable outcome or estimated liability for your entity, type "unknown" in the applicable fields and we will obtain the information from the AG's Office.**

**Note:** Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

- (a) Purchase of commercial insurance,
- (b) Participation in a public entity risk pool (e.g., Office of Risk Management claims)
- (c) Risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)
- (d) Other (explain) \_\_\_\_\_

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. \_\_\_\_\_

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. \_\_\_\_\_  
 \_\_\_\_\_

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. \_\_\_\_\_  
 \_\_\_\_\_

**Disallowed Cost:**

Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1	_____	_____	\$ _____	_____	\$ _____
2	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____

\* Reasonably possible, probable, or remote

\*\* Indicate only if amount can be reasonably estimated by legal counsel

**M. RELATED PARTY TRANSACTIONS Not Applicable**

FASB Codification Section 850 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. \_\_\_\_\_  
 \_\_\_\_\_

**N. ACCOUNTING CHANGES Not Applicable**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate or entity). The effect of the change is being shown in \_\_\_\_\_.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**O. IN-KIND CONTRIBUTIONS Not Applicable**

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
Total	\$ _____

**P. DEFEASED ISSUES Not Applicable**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ (BTA), issued \$\_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$\_\_\_\_\_, plus an additional \$\_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$\_\_\_\_\_ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$\_\_\_\_\_.

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

Sabine River Authority issued refunding bonds for \$5,765,000 and taxable revenue bonds for \$2,825,000 in 2003. The refunding bonds allowed the Authority to defease its Series 1999 bonds. The taxable revenue bonds were used to replace two hydroelectric generating units at Toledo Bend and to pay a portion of the cost of redeeming outstanding Series 1964 general obligation bonds. The bonds are secured by a pledge of (i) the net compensation, revenues, and receipts derived from all commodities sold and rendered by Sabine River Authority (except for revenues derived from the sale of water from the Sabine River Diversion Canal); (ii) all net revenues derived or to be derived from leases or operating agreements; and (iii) all net revenues derived from the sale of electric power and energy. The Authority has dedicated an amount sufficient for the payment of the bonds to cover the principal and interest requirements as they become due and payable until the bonds are fully paid and discharged in 2014. Revenues available for debt service coverage during the current fiscal year were approximately \$3,695,681. The total principal and interest remaining on the bonds is \$2,835,000 and \$235,347, respectively. The principal and interest paid for the current year was \$865,000 and \$156,430.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**  
**Not Applicable**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2010-2011:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**  
**Not Applicable**

At June 30, 20\_\_, the \_\_\_\_\_ (BTA) was not in compliance with the provisions of \_\_\_\_\_ Bond Reserve Covenant that requires \_\_\_\_\_. The \_\_\_\_\_ (BTA) did \_\_\_\_\_ to correct this deficiency.

**T. SHORT-TERM DEBT** Not Applicable

The \_\_\_\_\_ (BTA) issues short-term notes for the following purpose(s) \_\_\_\_\_.

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	\$	\$	\$	\$ -

The \_\_\_\_\_ (BTA) uses the following revolving line of credit for to finance \_\_\_\_\_ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

	Balance	Draws	Redeemed	Balance
Line of credit	\$	\$	\$	\$ -

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Enterprise Fund	\$ 910,498	\$ -	\$ -	\$ -	\$ 910,498
Gross receivables	\$ 910,498	\$ -	\$ -	\$ -	\$ 910,498
Less allowance for uncollectible accounts					
Receivables, net	\$ 910,498	\$ -	\$ -	\$ -	\$ 910,498
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2011, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Enterprise Fund	\$ 143,417	\$ 218,955	\$ 39,944	\$ 1,383	\$ 403,699
Total payables	\$ 143,417	\$ 218,955	\$ 39,944	\$ 1,383	\$ 403,699

**W. SUBSEQUENT EVENTS**

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement. Subsequent to fiscal year end June 30, 2011, the Authority is in the process of issuing \$10,000,000 of revenue bonds for certain repairs and improvements to the Sabine River diversion system.

**X. SEGMENT INFORMATION Not Applicable**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 \_\_\_\_\_  
 Segment No. 2 \_\_\_\_\_

**A. Condensed balance sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

**Condensed Balance sheet:**

	Segment #1	Segment #2
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

**B. Condensed statement of revenues, expenses, and changes in net assets:**

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

	Segment #1	Segment #2
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

**C. Condensed statement of cash flows:**

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

**Condensed Statement of Cash Flows:**

	Segment #1	Segment #2
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**Y. DUE TO/DUE FROM AND TRANSFERS Not Applicable**

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:

(Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds** for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds** for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____



**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the Sabine River Authority (BTA) at June 30, 2011 (fiscal year end), reflected at \$939,944 in the liabilities section on Statement A, consist of \$39,944 in accounts payable (accrued interest), \$900,000 in bonds payable.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS Not Applicable**

The following adjustments were made to restate beginning net assets for June 30, 20\_\_.

Ending net assets 6/30/10 as reported to OSRAP on PY AFR	*Adjustments to ending net assets 6/30/10 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/10) + or (-)	Beg net assets @ 7/1/10 as restated
\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Include all audit adjustments accepted by the agency or entity.  
Each adjustment must be explained in detail on a separate sheet.

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)**

**Not applicable**

Of the total net assets reported on Statement A at June 30, 20\_\_, \$\_\_\_\_\_ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to OSRAP Memo 11-36, Appendix C, for more details on the determination of the amount to be reported as required by GASB Statement 46.

List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total	_____	\$ _____

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES Not Applicable**

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See OSRAP Memo 11-36, Appendix B, for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 10-11: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in OSRAP Memo 11-36, Appendix B, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Stmts</u>	<u>Financial Statement Classification</u>	<u>Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane, fire)</u>
Buildings	\$ _____	\$ _____	\$ _____	_____	_____	_____
Movable Property	_____	_____	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____	_____	_____

Insurance recoveries received in FY 10-11 related to impairment losses occurring in previous years, and insurance recoveries received in FY 10-11 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings	\$ _____	_____	_____
Movable Property	_____	_____	_____
Infrastructure	_____	_____	_____

STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

**DD. EMPLOYEE TERMINATION BENEFITS Not Applicable**

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan. Voluntary termination benefits include benefits such as early retirement incentives.

Other termination benefits include:

1. Early retirement incentives such as cash payments. Some state agencies adopted layoff avoidance plans to provide a mechanism to balance budget deficits while delaying or avoiding layoffs.
2. Continued access to healthcare, including COBRA costs paid by the agency
3. Career counseling
4. Outplacement services

Payments for accrued annual leave are not considered as termination benefits. Annual leave is a part of the compensation that the state offers in exchange for services received. As a result, payments for accrued annual leave upon termination are considered to be compensation for employee services. Do not report these amounts as termination benefits.

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s).
2. Year the state becomes obligated
3. The number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.

The agency recognizes the cost of providing termination benefits as expenditures when paid during the year. For FY 20\_\_, the cost of providing those benefits for \_\_\_\_ (number of) terminations totaled \$ \_\_\_\_\_. For state uniform payroll agencies, these amounts are coded to G/L account 2125.

The liability for the accrued terminations benefits payable at June 30, 20\_\_ is \$ \_\_\_\_\_. This liability consists of \_\_\_\_ (number of) terminations.

Provide a detailed description of termination benefits provided to employees as summarized above. Include names, job titles and amounts. Provide attachments as necessary. This information will be provided by OSRAP to all state uniform payroll agencies.

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[The termination benefits payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

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**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
Notes to the Financial Statement  
As of and for the year ended June 30, 2011**

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

**EE. POLLUTION REMEDIATION OBLIGATIONS Not Applicable**

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

**Disclosures:**

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

**See OSRAP Memo 09-24, <http://www.doa.la.gov/osrap/sagasb49.htm> or the Q&A at [http://www.doa.la.gov/OSRAP/library/gasb34/GASB49\\_QA.pdf](http://www.doa.la.gov/OSRAP/library/gasb34/GASB49_QA.pdf) for more information on measuring pollution remediation liabilities.**

**SAMPLE disclosure:** (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

At fiscal year end, \_\_\_\_\_ (BTA) was a responsible party or potential responsible party in the remediation of \_\_\_\_\_ (friable asbestos, polluted ground water, removal of leaking underground fuel storage tanks, removal of lead-based paint, diesel spill cleanup, removal and replacement of contaminated soil, oversight and enforcement-related activities, post-remediation monitoring, etc.) on \_\_\_\_\_ agency's/entity's property. A possible explanation for this is \_\_\_\_\_. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ \_\_\_\_\_. The \_\_\_\_\_ (agency) paid \$ \_\_\_\_\_ in

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2011**

remediation costs for fiscal year 2011 and is reporting a balance of \$ \_\_\_\_\_ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

The following worksheet is provided to assist in completing required note disclosure and in determining the agency's pollution remediation activities, current year expenses, adjustments to pollution remediation obligations, and the amount of the year end liability.

STATE OF LOUISIANA

(BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20\_\_\_\_\_

\_\_\_\_\_  
(agency/department)

GASB #9  
Inventory Log  
FYE 6/30/11

Project Name	FY&C/DEQ Project Number	Trigger Year	6/30/10 Ending Balance	Increases	Decreases (expenditures) (including accruals)	Decreases (other adjustments)	6/30/11 Ending Balance (including accruals)	Percent Complete	Current Portion of L/T Debt	Non-Current Portion of L/T Debt	Realizable Recoveries	13th Period Expenditures	Notes
<u>Projects Reported @ 6/30/10... b</u>													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
<u>Projects NOT Previously Reported... c</u>													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
<u>Projects Began after 7/1/10... d</u>													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
<u>Totals</u>													
			0	0	0	0	0		0	0	0	0	

**STATE OF LOUISIANA**

**(BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 20\_\_\_\_\_**

**Explanations for GASB 49 Worksheet**

- a Enter agency/department name
- b List projects reported in the prior fiscal year that had an outstanding liability at 6/30/10
- c List projects that were overlooked or not included as remediation projects in previous fiscal years
- d List remediation projects that were begun/identified in the fiscal year ending 6/30/2011
- e Enter project number assigned by FP&C, DEQ, or other number assigned to identify project
- f Year the project was begun--this is not necessarily the year remediation began; it should be the year the pollution was identified and includes time involved to develop a remediation plan and the actual remediation process
- g This column is used to report those projects that were included/added in the previous fiscal year and had a balance outstanding at the end of that year
- h This column is for reporting increases in the estimated remediation cost, whether from expanding the scope of the project to contracting for a specific service.
- i Record total expenditures related to the project made during the fiscal year, including those made in the 13th period (13th period expenditures are also shown separately in column AB (p))
- j Record activities that decrease the estimated remediation liability that are not expenditures--for example, amounts included in original estimate were overstated and actual was less than what was recorded; scope of project not as extensive as originally e
- k The formula in this column sums columns J, L, N, and P (g, h, i, and j)
- l Indicate percentage of project completion in this column
- m Amounts in this column represent the portion of the ending liability that are due and payable *within the next 12 months*
- n Amounts in this column represent the portion of the ending liability that are not due and payable until after 6/30/12. This amount plus the amount in column V (m) must total the amount in
- o This column is to identify any amounts that have been or will be received from other sources such as other responsible parties or insurance proceeds to help cover the cost of remediation
- p Record amounts expended on pollution remediation projects during the 13th accounting period in this column--this amount should be included in column N (i)
- q Provide reference and note explanations on an extra page, for example: (1) awaiting court



**STATE OF LOUISIANA**

**\_\_\_\_\_ (BTA)**

**Notes to the Financial Statement**

**As of and for the year ended June 30, 20\_\_\_\_\_**

**FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) Not Applicable**

Provide your entity's ARRA revenue received in FY 2011 on a full accrual basis:

\_\_\_\_\_

Provide your entity's ARRA expenses in FY 2011 on a full accrual basis:

\_\_\_\_\_

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS**  
**JUNE 30, 2011**  
**(Fiscal close)**

Name	Amount
<u>Norman Arbuckle</u>	<u>\$ 3600</u>
<u>Chester Burgess</u>	<u>3200</u>
<u>Robert Conyer</u>	<u>2800</u>
<u>Daniel Cupit</u>	<u>2800</u>
<u>Carlton Gibson</u>	<u>2800</u>
<u>Henry Goodeaux</u>	<u>3800</u>
<u>Larry Kelly</u>	<u>3400</u>
<u>Thurmon Nash</u>	<u>3400</u>
<u>Estella Scott</u>	<u>3200</u>
<u>Kermie Valentine</u>	<u>3000</u>
<u>Stanley Vidrine</u>	<u>3400</u>
<u>Bobby Williams</u>	<u>3800</u>
<u>Byron Gibbs</u>	<u>1600</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
Total	<u>\$ 40,800</u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**  
**SCHEDULE OF NOTES PAYABLE**  
**JUNE 30, 2011**  
**(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY

\*Send copies of new amortization schedules

SCHEDULE 3-A

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
SCHEDULE OF BONDS PAYABLE  
JUNE 30, 2011  
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
<b>Series:</b>							
Taxable 2008	2008	\$1,620	\$1,250	\$295	\$955	4.89%	\$16
Revenue Refunding 2003	2003	\$5,765	\$2,450	\$570	\$1,880	3.89%	\$24
<b>Unamortized Discounts and Premiums Series:</b>							
Total		<u>\$10,210</u>	<u>\$3,700</u>	<u>\$865</u>	<u>\$2,835</u>		<u>\$40</u>

**\*Note: Principal outstanding (bond series/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.  
Send copies of new amortization schedules for bonds and unamortized costs.**

**STATE OF LOUISIANA**  
**(BTA)**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended June 30, 20\_\_**

<b>Fiscal Year</b> <b>Ending:</b>	<b><u>Payment</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Balance</u></b>
2012	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>    --    </u>
2013	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2014	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2015	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2016	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2017-2021	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2022-2026	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2027-2031	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
2032-2036	<u>          </u>	<u>          </u>	<u>          </u>	<u>    --    </u>
 Total	 \$ <u>    --    </u>	 \$ <u>    --    </u>	 \$ <u>    --    </u>	 \$ <u>    --    </u>

SCHEDULE 4-A

**STATE OF LOUISIANA**  
**\_\_\_\_\_ (BTA)**  
**SCHEDULE OF NOTES PAYABLE AMORTIZATION**  
**For the Year Ended June 30, 20\_\_**

<b>Fiscal Year Ending:</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2012	\$ _____	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
2032-2036	_____	_____
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

SCHEDULE 4-B

**STATE OF LOUISIANA  
SABINE RIVER AUTHORITY (BTA)  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended June 30, 2011**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 900,000	\$ 119,832
2013	945,000	81,772
2014	990,000	33,743
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
Subtotal	--	--
Unamortized Discounts/Premiums		
Total	\$ 2,835,000	\$ 235,347

**\*Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.**

STATE OF LOUISIANA  
(BTA)  
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS  
JUNE 30, 2011

	Financial Statement	Adjustments	ISIS Appropriation Report-08/16/11	Revised Budget	Variance Positive/(Negative)
<b>Revenues:</b>					
Intergovernmental Revenues	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Federal Funds	_____	_____	_____	_____	_____
Sales of Commodities and Services	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total appropriated revenues	_____	_____	_____	_____	_____
<b>Expenses:</b>					
Cost of goods sold	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Personal services	_____	_____	_____	_____	_____
Travel	_____	_____	_____	_____	_____
Operating Services	_____	_____	_____	_____	_____
Supplies	_____	_____	_____	_____	_____
Professional services	_____	_____	_____	_____	_____
Other charges	_____	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____	_____
Interagency transfers	_____	_____	_____	_____	_____
Debt service	_____	_____	_____	_____	_____
Other:					
Bad debts	_____	_____	_____	_____	_____
Depreciation	_____	_____	_____	_____	_____
Compensated absences	_____	_____	_____	_____	_____
Interest expense	_____	_____	_____	_____	_____
Other (identify)	_____	_____	_____	_____	_____
Total appropriated expenses	_____	_____	_____	_____	_____
Excess (deficiency) of revenues over expenses (budget basis)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.



STATE OF LOUISIANA

(BTA)

**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS**

June 30, 2011

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
OPEB payable	_____
Other	_____
Change in Net Assets	\$ _____ -

**Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.**

**STATE OF LOUISIANA**  
**SABINE RIVER AUTHORITY (BTA)**

**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$3 million**, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$8,336,128	\$12,628,459	\$ 4,292,331	\$ 34%
Expenses			-	
2) Capital assets			-	
Long-term debt			-	
Net Assets			-	
Explanation for change:				
Revenues down due to low				
Lake levels, thus reduced				
Power generation.				

SCHEDULE 15

AGENCY NUMBER \_\_\_\_\_  
AGENCY NAME \_\_\_\_\_

AGENCY NAME: \_\_\_\_\_  
AGENCY NUMBER: \_\_\_\_\_

[illegible]